

SB 463 Ends Rule Barring Many Part-time Workers From Collecting Unemployment Benefits

SB 463 would acknowledge the important role that part-time workers play in today's workforce by eliminating the outmoded rule that unemployed workers with a history of part-time work can collect benefits only if they search for full-time employment.

The Problem: Many part-time workers can't collect unemployment benefits

Today, when Oregon workers who have consistently labored part time lose their jobs, they cannot collect unemployment benefits unless they are willing to take a full-time job. This is true even though employers pay unemployment insurance taxes on part-time workers' wages, just as they do for full-time workers.

Currently, one in four Oregon workers labors part time.¹ Most are women, and many are low-wage workers. Part-time workers contribute a substantial share of household income — 24.1 percent on average nationally.²

Restrictions on part-time workers are part of the reason why many women and low-wage workers lose out on unemployment protections. In 2007, only 37 percent of unemployed women in Oregon received unemployment benefits, compared to 46 percent of unemployed men.³ And low-wage workers are half as likely as higher-wage workers to receive unemployment benefits, even though they are more than twice as likely to be unemployed.⁴

For many part-time workers, full-time work is not a reasonable option. Some may be balancing work with caretaking responsibilities, for example.

The Fix: Allow part-time workers to search for part-time work

By enacting SB 463, Oregon would join 23 other states and the District of Columbia that already have part-time eligibility laws.⁵ Workers with a steady history of part-time work would be allowed to restrict their job search to similar part-time work while they collect unemployment benefits.

The federal stimulus bill, the American Recovery and Reinvestment Act of 2009, provides incentive funds for states to improve their unemployment insurance systems.⁶ If Oregon adopts an "alternative base period" as set forth in SB 462, the state would gain an estimated \$91 million.⁷ These federal funds could be used to defer some of the additional costs associated with implementation of SB 463 as well as other modernization efforts.

The Benefits: Acknowledge part-time workers and help struggling families

Oregon's Employment Department estimates that SB 463 would allow about 9,000 additional workers to claim unemployment benefits each year.⁸ By offering partial wage replacement, these benefits can help shore up family finances.

Endnotes

¹ Economic Policy Institute analysis of Current Population Survey data. Part-time workers, those employed fewer than 35 hours per week, made up 25.9 percent of Oregon's labor force in 2007.

² National Employment Law Project (NELP), *Laid Off and Left Out: Part-Time Workers and Unemployment Insurance Eligibility*, February 12, 2002.

³ OCPP analysis of Oregon Employment Department and Bureau of Labor Statistics data.

⁴ U.S. Government Accountability Office, *Unemployment Insurance: Low-Wage and Part-Time Workers Continue to Experience Low Rates of Receipt*, September 2007.

⁵ Arkansas, California, Colorado, Delaware, Florida, Hawaii, Iowa, Kansas, Louisiana, Maine, Minnesota, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Pennsylvania, Rhode Island, South Dakota, Vermont and Wyoming, as well as the District of Columbia, have some form of part-time eligibility laws. An additional four states — Illinois, Montana, Washington and Massachusetts — have extremely limited eligibility for part-time workers. NELP, *Laid Off and Left Out*; NELP, *Implementing the Model Provisions of the Unemployment Insurance Modernization Act in the States*, updated January 30, 2009, , available at www.nelp.org/page/-/UI/uima.state.leg.revised.jan.09.pdf.

⁶ See Status of Appropriations Legislation for Fiscal Year 2009, American Recovery and Reinvestment Act of 2009, bill text div. B, title II, section 2003, "Special transfers for unemployment compensation modernization," available at www.thomas.gov/home/approp/app09.html#h1.

⁷ The American Recovery and Reinvestment Act of 2009 (HR 1) provides Oregon an estimated \$6 million for administration of unemployment insurance programs; if Oregon implements an alternative base period, it will get an additional \$85 million to be used for unemployment insurance benefits. Oregon would not have to enact SB 463 in order to qualify for the federal funding. NELP, *Implementing the Model Provisions*.

⁸ Oregon Employment Department, "Unemployment Insurance (UI) Modernization: Proposed Legislation: Part-Time Workers," January 9, 2009.

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